

Ombudsman's Determination

Applicant	Mr T
Scheme	FP 1 Retirement Fund (the Fund)
Respondents	Fast Pensions

Outcome

1. Mr T's complaint is upheld and to put matters right Fast Pensions should contact Mr T and assist in allowing him to exercise his statutory right of a transfer to a provider of his choice. Fast Pensions should also pay Mr T, £1,000, to reflect the distress and inconvenience caused to him by their maladministration.
2. My reasons for reaching this decision are explained in more detail below.

Complaint summary

3. Mr T complains that Fast Pensions failed to respond to his enquiries about exercising his statutory right to a transfer, and complete the requested transfer to Hargreaves Lansdown.
4. Mr T says that he would like Fast Pensions to allow him to transfer his pension fund from Fast Pensions to Hargreaves Lansdown, or to be given access to the Fund.

Background information, including submissions from the parties

5. Mr T transferred his AVC pension fund to Fast Pensions in 2013.
6. There is limited documentation available about the exact nature of the arrangement into which Mr T transferred, but from Fast Pensions' website it appears that it was intended to be an occupational pension scheme.
7. On his 55th birthday, 23 October 2014, Mr T asked for a drawdown option in line with the new pension freedoms to be implemented from 6 April 2015.
8. However, he was told by Fast Pensions that the Trustees of the Fund had not yet decided if they were going to offer a drawdown option.

9. Mr T asked again in March 2015, and was told that they had decided not to allow a drawdown option, but suggested that Mr T consider transferring to a provider that does.
10. He subsequently decided on Hargreaves Lansdown, and has been trying since April 2015 to get Fast Pensions to transfer the Fund to a Hargreaves Lansdown Vantage SIPP.
11. On 3 July 2015 he received a letter from Fast Pensions, which stated that his current fund value was £32,264.89. It also explained that there would be an early exit penalty of £10,324.76 applied to a transfer that takes place before his normal retirement date of 19 August 2022.
12. Fast Pensions also stated that the underlying assets of the Fund are unlisted and they are unable to divest them quickly. However, they have claimed they would be able to transfer the assets of the Fund on an in-specie basis, i.e. in the form currently held, before sale or liquidation.
13. Fast Pensions have also explained away the delays with the transfer process as being a result of unexpected staff departures. Following his transfer request of April 2015, Fast Pensions failed to send him promised correspondence and stopped answering phone calls.
14. After contacting Citizens Advice, Mr T managed to invoke Fast Pensions' Internal Dispute Resolution Procedure on 9 January 2016.
15. On 13 January 2016 he received his latest annual statement showing a fund value of £32,711.39 at 31 December 2015.
16. However, Mr T has not received a substantive response to his complaint against Fast Pensions, beyond an acknowledgement on 26 January 2016.
17. After receiving no response from Fast Pensions he brought the complaint to The Pensions Ombudsman.
18. Fast Pensions responded to The Pensions Ombudsman on 19 May 2016, but there has been no further contact since this point.
19. Mr T has also contacted Action Fraud, the Pensions Regulator and The Pensions Advisory Service. Mr T is in agreement with the Adjudicator's opinion, and asked for the case to be placed before me for a binding determination to be considered, if Fast Pensions did not respond.
20. Fast Pensions did not respond substantively to the complaint, and the Adjudicator's Opinion sent to their London office was returned to sender.

Adjudicator's Opinion

21. Mr T's complaint was considered by one of our Adjudicators who concluded that further action was required by Fast Pensions. The Adjudicator's findings are summarised briefly below:

- The Adjudicator was satisfied that Fast Pensions failed to respond to Mr T over a prolonged period of time, and failed to complete the requested transfer to Lansdown Hargreaves. This constituted maladministration, and lost him the opportunity to place his funds with his preferred provider and take advantage of a drawdown arrangement under the new pension freedoms. This also caused him significant distress and inconvenience.
- A formal request from Mr T to transfer the Fund has been made, and Mr T cannot be deprived of a statutory right to transfer under Section 94 of the Pension Schemes Act 1993.
- It was therefore the opinion of the Adjudicator that Mr T's complaint should be upheld because he was satisfied that Fast Pensions failed to respond to Mr T over a prolonged period of time, failed to complete his requested transfer to Hargreaves Lansdown, or provide any valid reason why he would not have a statutory right to the transfer.

22. The complaint has now been passed to me to consider.

Ombudsman's decision

23. I agree with the Adjudicator's Opinion, summarised above, and as Fast Pensions have not responded to the complaint, my decision will be based upon the information and documents provided by Mr T.
24. I note that Fast Pensions have not responded to the complaint, and the Adjudicator's Opinion sent to their registered address in London has been returned to sender. Despite requests, an alternative address has not been provided to this office.
25. We have dealt with a number of other cases recently involving Fast Pensions, where there have been continued failures to respond to members' requests and transfer applications. Fast Pensions have also failed to communicate with this office.
26. Based on the evidence that we do have, I agree that maladministration has been established, and therefore I uphold Mr T's complaint.

Directions

I direct that Fast Pensions will:

- within 14 days, make contact with Mr T, and providing he still wishes to transfer his funds, provide him with an up-to-date Cash Equivalent Transfer Value and assist him in exercising his statutory right of a transfer (in-specie or otherwise) to a provider of his choice;
- within 14 days, pay Mr T £1,000 to reflect the significant distress and inconvenience caused to him by their maladministration.

Anthony Arter

Pensions Ombudsman
11 November 2016